

Briefing notes – Call with Stephen Barclay, Economic Secretary to the Treasury.

- Friday's announcement by RBS of closure of 62 Scottish branches – part of wider announcement of closure of 269 branches across the UK has been met with widespread criticism by unions and business groups.
- This announcement comes on top of an earlier announcement by Lloyds Banking Group of closure of 11 Scottish branches

RBS closures

- Have spoken with senior representatives of RBS regarding these closures.
- Appreciate that many customers are now choosing to bank online and that footfall in many branches is declining.
- However the programme of branch closures by RBS, and other banks is rapidly accelerating.
- Understand that the banks must make a commercial decision on the shape of their future services.
- Online services are not yet suitable for all customers, particularly some of the most vulnerable customer groups.

ASK: That UK Government as majority shareholder of RBS to use its influence with the bank to ensure that closures do not take place where there are no suitable face-to-face alternatives and to ensure that practical and sustainable alternative services are put in place before closures are confirmed.

Access to Banking Standard (Copy attached, Annex A)

- Agreed between banks and UK Government. Revised following review by Prof Griggs in 2016. Has been criticism of the Standard over lack of genuine consultation with customers.
- Sets out the actions to be taken by banks when announcing branch closures to ensure that "*Customers and relevant stakeholders of a bank branch that is closing will be provided with clear, understandable, accessible documentation and information about that specific closure as soon as the bank is able to do so, also what it will mean for them and how they can continue to bank following its closure*"
- The protocol does not include a consultation period or any opportunity to influence a bank's decision to close a branch and applies to the bank's actions after a decision to close has already been made.
- RBS have followed the Standard in relation to this and previous announcements undertaking the required communication with customers and stakeholders. RBS go beyond the required 12 week notice period, in this case giving customers and stakeholder 6 months notice of the planned closures.

ASK – That the UK government and industry revisit the Access to Banking Standard to include a period of genuine consultation where customers of at-risk branches have an opportunity to influence the bank’s decision and to influence the future shape of the wider branch network.

Minimum Service Level

- The existing Access to Banking Standard does not set any limits on what constitutes an acceptable level of access to banking .
- Each bank is free to make its own judgement on what constitutes and acceptable level of service – and we appreciate that this is a commercial decision.
- However, repeated closure announcements have left many communities without access to a physical bank branch – from any provider.
- Welcome the increased co-operation between banks and Post Office network where customers can access many personal and business banking services.

ASK – That the UK Government work with the banks to ensure that communities maintain access to essential banking services – whether through physical branches, mobile services or the Post Office network and that the banks consider the collective impact of their branch closure decisions, particularly on rural and remote communities.

ASK – That the UK Government consider what constitutes an acceptable level of provision of banking service and how to ensure, as banks make individual commercial decisions, that no community or customer is left unbanked as a result.

ASK – With increased reliance on the Post Office as a provider of banking services, steps must be taken to ensure the resilience of the Post Office network, particularly in rural communities.

Access to free-to-use ATMs

- Currently concerns over future of the ATM network. Concerns have been raised, including by Treasury Select Committee, on the impact of a proposed reduction in the fee payable by banks for each ATM transaction.
- Particular concern over the provision of free-to-use ATMs in rural locations and areas of social deprivation.

ASK – UK Government to ensure that ATM provision is considered a core banking service and that steps are taken to protect access to the network in light of branch closures.

ANNEX A

The Access to Banking Standard

Introduction

Banks are committed to providing access to banking across all the channels they deal with customers through.

Banks can and will realign those channels in line with customer demand from time to time. This is a commercial decision for the bank alone.

In making those decisions banks will ensure that their customers are communicated with openly and treated fairly, fulfilling regulatory requirements, and operating in line with the overarching principle and outcomes set out below. Banks will consider a range of approaches to their commitments under the standard.

The Standard focuses on the desired outcome for customers and stakeholders. To achieve these outcomes, banks may communicate and engage with their customers and other stakeholders in what they consider to be the most appropriate manner.

While there will be differences in approaches between banks, and in circumstances for closure, the Standard also clearly indicates areas that each bank must ordinarily address to achieve the desired outcomes.

The Standard will apply to all branch closures (other than temporary closures, and those forced by significant unplanned external or emergency events), and branches where the opening hours are reduced by more than 30% over 1 year, and also applies to branch agencies and firms should ensure they are contractually bound to comply with them.

Overarching Principle

Customers and relevant stakeholders of a bank branch that is closing will be provided with clear, understandable, accessible documentation and information about that specific closure as soon as the bank is able to do so, also what it will mean for them and how they can continue to bank following its closure.

Outcomes

Banks will communicate their decisions in at least two parts to customers (personal and business) as set out below.

a) Initial Announcement of Closure

Banks will

- Inform its customers and stakeholders of the decision to close a branch as soon as the bank is operationally ready to do so. This will be at a minimum 12 weeks before the closure.

- publish at the time of the announcement an Impact Assessment and make all customers aware of its availability together with any other documentation and information that will allow the customer to understand
 - the bank's procedure for deciding to close a branch.
 - the main reason for the closure of that branch and, while maintaining commercial confidentiality where appropriate, what information was used to make that decision
 - how the bank defines the terms it uses in its Impact Assessment.
 - The banks assessment of the impact of the closure on customers.
 - the date of the closure
 - what the alternatives are, how they can be accessed, and what the bank will do to help or assist with all or each of those.

- The banks will identify which other bodies, and organisations, that may be affected by the closure of the branch and provide them with documentation and information that will allow them to understand
 - the clear reason for the closure of that branch and what information was used to make that decision
 - how the bank defines the terms it uses in its decision-making process
 - the date of the closure
 - how they can contact the bank to discuss the issues they have and meet with them if that is the most appropriate way to do so.

b) Post Announcement and Pre-Closure

Banks will provide further information that will

- Communicate clearly and simply with all customers and stakeholders when appropriate so they understand
 - where and from whom they can obtain assistance on any specific issues or concerns they may have.
 - what were the issues that stakeholders raised and what has been the outcome of each?
 - how and where they can raise questions which they feel have not been addressed.
 - how the banks can provide help and assistance after closure

- consider which individual may be vulnerable or require additional assistance and proactively contact them to find out if they require any further help or assistance.

Banks will take action and support customers to

- be aware of and understand each of the alternatives offered by the bank and others who offer a service to the bank
- understand what those alternatives provide in terms of service and functionality
- know how and where they can obtain further information, help and assistance in deciding how they might use or access them.
- know how and where they can discuss concerns and issues they have with the closure and what it means for them.
- know that the personnel they are speaking to at the bank have the skills and competencies to deal effectively with the issues and concerns they raise.

Banks will ensure that Stakeholders where appropriate

- understand clearly what it is that the bank will do to provide any mitigation in relation to the closure and how that could be put in place
- clearly understand what they need to do and with whom to discuss and implement any form of mitigation offered.
- know that the personnel they are speaking to at the bank have the authority and competencies to deal with the mitigation issues that they wish to address.

c) Post Closure

Banks will

- ensure that there remains help and assistance and skilled and competent personnel available to help customers who continue to require assistance

Banks will ensure that customers

- are aware that the bank is willing to help them to continue to bank
- are aware of and understand how and where they obtain continuance of the help and assistance they received post closure should they still require it, and how they access help or assistance on any issues or concerns that arise post closure.

Banks will ensure that Stakeholders where appropriate

- are aware that the bank is willing to continue to engage with them
- are aware of how and who they continue to progress any mitigation issues that are still to be resolved, and how and who they should contact should any other issues or concerns arise post closure.

